(b) and (c) RRBs are jointly owned by the Central Government/State Government/Sponsor Banks in the ratio of 50:15:35. The Central Government and the Sponsor Bank will make their share of contribution for the recapitialization of RRBs having negative networth in cash and the State Governments are also required to contribute their share, accordingly.

Foreign banks operating in the country

†1517. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) the number of foreign banks doing business in the country;

(b) the number of other foreign banks which have expressed their willingness to open their branches in the country;

(c) whether Government has not made it obligatory for foreign banks to open branches in villages and for providing loans to farmers and Scheduled Castes/Scheduled Tribes for employment like Indian banks; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) At present, 29 foreign banks have their branch operations in India.

(b) Five foreign banks have expressed their desire to open their maiden branch presence in India.

(c) and (d) Foreign banks operating in India are required to lend to the priority sector to the extent of 32% of their Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, which also includes 10% lending for small enterprised and 12% for export credit. However, no targets has been stipulated for foreign banks for providing loans to farmers and scheduled-castes and scheduled-tribes. Though no stipulation has been made for foreign banks to open their branches in rural areas, as per the Branch Authorisation Policy issued by RBI, banks are encouraged to open branches in rural and under-banked areas. Further, while considering applications for opening branches, RBI gives weightage to the nature and scope of banking facilities provided by banks to common persons, particularly in rural and under-banked areas.

Exclusive stock exchange for SME sector

1518. SHRI SANTOSH BAGRODIA:
SHRI GIREESH KUMAR SANGHI

Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering to set up an exclusive Stock Exchange for the Small and Medium Enterprises (SMEs) sector;

(b) if so, the details thereof;

(c) whether Government has decided on the listing criteria; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Considering the need for putting in place an adequate mechanism to

†Original notice of the question was received in Hindi.

enable SMEs to raise capital, SEBI has decided to allow one Exchange for the SME Sector initially. Thereafter, depending on the performance of the said Exchange and the growth of the market, it may consider allowing additional Exchange (s).

(c) No, Sir.

(d) Do not arise in view of answer to (c) above.

Steps to promote capital investment in foreign countries

†1519. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has taken various encouraging steps to promote capital investments in foreign countries;

(b) if so, the details of steps taken during the years, 2004-2005, 2005-06 and 2006-07 and the declarations made regarding this matter during the year, 2007-08 upto the month of September, and

(c) the quantum of capital invested in foreign countries during the above period, country-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sirs, As part of ongoing liberalization of the direct investments by residents in Joint Ventures (JV)/Wholly Owned Subsidiary (WOS) abroad, the Government has taken steps to promote capital investments in foreign countries. Reserve Bank of India has effected the liberalization through various A.P. (DIR Series) circulars for promoting Indian investment abroad and to enable Indian companies to reap the benefits of globalization as under:—

2004-2005 (April to March)

Sl. No.	Ap (DIR Series) Circular No.	Date	Liberalisation
1	2	3	4
1.	32	09/02/2005	Acquisition of shares offered under ESOPs by a foreign company which has an indirect holding in an Indian company *i.e.* through a special Purpose Vehcile or a step down subsidiary placed under general permission.
2005-2006 (April to March)			
1.	42	12/05/2005	Ceiling for overseas direct investment by Indian Corporates/ registered partnership firms raised from 100% to 200% of the net worth of the Indian party
2	9	29/08/2005	Overseas direct investment in Bhutan permitted in freely convertible currencies in addition to INR
3.	29	27/03/2006	(i) Scope of guarantees to be issued by an Indian party enhanced subject to certain conditions

†Original notice of the question was received in Hindi